



**EAST BRUNSWICK PUBLIC SCHOOLS  
MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2016**

**AUDITOR’S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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## INDEPENDENT AUDITORS' REPORT

Honorable President and Members  
of the Board of Education  
East Brunswick Public Schools  
County of Middlesex, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of East Brunswick Public Schools, County of Middlesex as of and for the year ended June 30, 2016, and have issued our report thereon dated November 22, 2016.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of East Brunswick Public Schools' management and Board members, and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



David J. Gannon  
Licensed Public School Accountant  
No. 2305



WISS & COMPANY, LLP

Livingston, New Jersey  
November 22, 2016

## Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

## Administrative Practices and Procedures

### Insurance

Fire insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the District's CAFR.

### Official Bonds *N.J.S.A. 18A:17-26, 18A:17-32, & 18A:13-13*

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Bernardo Giuliana	Business Administrator	\$ 100,000
L. Mason Neely	Treasurer of School Moneys	750,000

There is an Employee Dishonesty Blanket Position Bond covering all other employees with multiple coverage of \$1,000,000 per loss.

### Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District made a proper adjustment to the billings to sending Districts for the increase or decrease in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*.

## Financial Planning, Accounting and Reporting

### Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation and no discrepancies or exceptions were noted.

### Payroll Account and Position Control Roster

The net salaries of all employees of the Board were deposited in the payroll account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the payroll agency account.

All payrolls tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator, and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

Our review of the payroll accounts revealed no exceptions.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable and no exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to our randomly selected test samples, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. As a result of the procedures performed, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed no exceptions.

Treasurer's Records

Our review of the financial and accounting records maintained by the Treasurer disclosed no exceptions.

Unemployment Compensation Insurance Trust Fund

The District has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Fund. No exceptions were noted.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A./I.A.S.A./NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A./NCLB indicated no instances of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) located in the CAFR.

Our audit of the federal and state funds, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.



The study of compliance for the special projects indicated no instances of noncompliance.

#### T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

#### TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

#### Nonpublic State Aid

Our review of the Nonpublic State Aid completion reports disclosed no exceptions.

### **School Purchasing Programs**

#### Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school transportation contracts under *N.J.S.A. 18A:39-3* is \$18,800 for 2015-16.

The District has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The results of our examination, performed on a test basis, indicated that no individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per *N.J.S.A. 18A:18A-5*.

No exceptions were noted.

#### **School Food Service**

The financial transactions and statistical records of the school food service fund were reviewed on a test basis and are maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

The cash receipts and bank records were reviewed on a test basis for timely deposits without exception.

The District utilizes a food service management company for management of its food service program (FSMC) and is depositing and expending program monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. The Board also employs non-managerial food service workers. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$85,000. The operating results provision was met for the year ended June 30, 2016.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test check basis. Inventory records on food supply items were currently being maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The District deposited and expended program monies in accordance with *N.J.S.A.* 18A:17-34, and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures. Time sheets were reviewed and labor costs verified on a test basis. Payroll records were maintained for all School Food Services employees, except FSMC management, authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted / certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy on a test check basis. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal policy is uniformly administered throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

USDA Food donation program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions noted. The District maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section B of the CAFR.

### **Student Body Activities**

During our audit, we noted the following with regard to Student Activity Funds:

#### ***Finding 2016-001:***

During our testing of transactions related to the East Brunswick High School's student activity fund, we noted one instance where two gift cards were purchased from student activity funds for family relief of a student. This purchase was made from the High School's student body account. Board Regulation No. 6660, *Student Activity Fund*, Section D3(b), *Expenditures of Student Activity Funds – Expenditures Which Are Prohibited*, provides that "the use of student activity funds to provide family relief or other social services is prohibited". It should be noted that a specific fundraiser was not held to support the expenditure of these funds.

***Recommendation:***

In order to comply with the Board’s policy on the use of student activity funds, we recommend that any disbursements for family relief or other social services in the future be supported by a fundraiser held specifically for that purpose.

***Finding 2016-002:***

There were two instances, during our testing related to the Murray A. Chittick Elementary School, where an employee was reimbursed for books which were funded, or partially funded, by a grant from the PTA. Board Regulation No. 6660, *Student Activity Fund*, Section F2, *General Provisions – Non-Student Body Activities And Accounts*, provides that “funds which are not directly related to the student body such as faculty association funds, PTA funds, sunshine funds, etc. are not the responsibility of the Board and shall not be deposited or accounted within the Student Activity Fund Account”.

***Recommendation:***

We recommend that when purchases are being funded by local PTA grants, the administrators of the student activity funds should follow Board policy. Board policy dictates that the PTA should either directly remit the grant to the teacher or the vendor where goods are being purchased. If the purchase must be made by the District, the PTA should remit the award directly to the District’s Board office so that it can be deposited into the appropriate account and the purchase can follow the District’s purchasing process.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District work papers without exception. The information that was included on the work papers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained work papers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 2015-2016 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with exceptions as noted in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The District did not purchase any buses during the 2015-2016 school year. We noted no exceptions in our review of transportation related purchases of goods and services.



## **Facilities and Capital Assets**

Our procedures included a review of the New Jersey Schools Development Authority (“NJSDA”) grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted.

## **Other Matters**

### ***Finding 2016-003:***

The District overpaid one employee by \$15,329 during the 2015-16 fiscal year. This employee had previously held a ten-month contract position the prior fiscal year and transitioned to a twelve-month contract position effective September 1, 2015, however, the employee was paid the full twelve month salary in accordance with the employee’s contract during the ten month period from September 1, 2015 through June 30, 2016. It should be noted that compensating internal controls put in place by the District discovered this error, however, the identification of the error did not occur timely.

### ***Recommendation:***

We suggest that the Human Resources Department improve its current process in place to review changes in pay and employment status. Pay periods that experience a large volume of changes, specifically the beginning of a new school year, carry significant more risk of error than in pay periods during the remaining part of the fiscal year. Specifically, based on the high volume of activity that must be inputted by the Human Resources Department and subsequently reviewed for accuracy, the District should employ technology if available to assist in the identification of errors.

### ***Finding 2016-004:***

The District generates revenue for the rental of its performing arts center for outside events held by private groups and citizens. The revenue associated with this activity is accounted for in the District’s Community Programs Enterprise Fund. During our audit, we reviewed the documentation that was maintained to support the amounts billed to users of the facilities and found that the documentation did not always support the amount being charged to those users. Specifically, the time sheets maintained by Community Programs were not always in agreement with the documents supporting the amounts invoiced for the rental of the facility.

### ***Recommendation:***

We recommend that the District implement additional monitoring procedures to review invoices for facility rentals prior to the invoice being finalized to ensure that documentation maintained by Community Programs supports the amount invoiced.

## **Follow-up on Prior Year’s Findings**

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year’s recommendations. Corrective action has been taken on all prior year findings.

## **Acknowledgment**

We received the complete cooperation of all the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

SCHEDULE OF MEAL COUNT ACTIVITY

EAST BRUNSWICK PUBLIC SCHOOLS

FOOD SERVICE FUND

NUMBER OF MEALS SERVED - FEDERAL

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
National School Lunch (Regular Rate)	Paid	372,841	372,841	372,841	-	\$ 0.29	\$ -
National School Lunch (Regular Rate)	Reduced	29,255	29,255	29,255	-	2.67	-
National School Lunch (Regular Rate)	Free	132,552	132,552	132,552	-	3.07	-
	<b>TOTAL</b>	<b>534,648</b>	<b>534,648</b>	<b>534,648</b>			<b>-</b>
National School Lunch	HHFKA - PB Lunch Only	534,648	534,648	534,648	-	\$ 0.06	\$ -
School Breakfast (Regular Rate)	Paid	8,956	8,956	8,956	-	\$ 0.29	\$ -
	Reduced	1,827	1,827	1,827	-	1.36	-
	Free	16,084	16,084	16,084	-	1.66	-
	<b>TOTAL</b>	<b>26,867</b>	<b>26,867</b>	<b>26,867</b>			<b>-</b>
School Breakfast (Severe Need Rate)	Paid	2,269	2,269	2,269	-	\$ 0.29	\$ -
	Reduced	601	601	601	-	1.69	-
	Free	4,475	4,475	4,475	-	1.99	-
	<b>TOTAL</b>	<b>7,345</b>	<b>7,345</b>	<b>7,345</b>			<b>-</b>
	<b>Total Net Underclaim</b>						<b>\$ -</b>

SCHEDULE OF MEAL COUNT ACTIVITY

EAST BRUNSWICK PUBLIC SCHOOLS

FOOD SERVICE FUND

NUMBER OF MEALS SERVED - STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS TESTED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE (a)</u>	<u>(OVER) UNDER CLAIM (b)</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	372,841	372,841	372,841	-	\$ 0.04	\$ -
State Reimbursement - National School Lunch (Regular Rate)	Reduced	29,255	29,255	29,255	-	0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	132,552	132,552	132,552	-	0.055	<u>-</u>
	<b>TOTAL</b>	<u>534,648</u>	<u>534,648</u>	<u>534,648</u>			

**Total Net Underclaim**

\$ -

EAST BRUNSWICK PUBLIC SCHOOLS

NET CASH RESOURCE SCHEDULE

Net cash resources did not exceed three months of expenditures  
 Proprietary Funds - Food Service  
 FYE 2016

<u>Net Cash Resources:</u>		<u>Food Service B - 4/5</u>	
CAFR	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 640,113
B-4		Due from Other Gov'ts	114,166
B-4		Due from Other Funds	0
B-4		Accounts Receivable	8,525
B-4		Investments	-
CAFR		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(246,053)
B-4		Less Accruals	(3,568)
B-4		Less Due to Other Funds	-
B-4		Less Unearned Revenue	<u>(126,374)</u>
		<b>Net Cash Resources</b>	<u><u>\$ 386,809</u></u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	2,680,889	
B-5	Less Depreciation	<u>(120,676)</u>	
	Adj. Tot. Oper. Exp.	<u><u>\$ 2,560,213</u></u>	(B)

Average Monthly Operating Expense:

B / 10	<u><u>\$ 256,021</u></u>	(C)
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Three times monthly Average:

3 X C	<u><u>\$ 768,064</u></u>	(D)
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TOTAL IN BOX A	\$	386,809	
LESS TOTAL IN BOX D	\$	<u>768,064</u>	
NET	\$	<u><u>(381,255)</u></u>	
From above:			
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>			
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>			

\* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

**EAST BRUNSWICK PUBLIC SCHOOLS**

**SCHEDULE OF AUDITED ENROLLMENTS**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**

**ENROLLMENT AS OF OCTOBER 15, 2015**

	<b>2016-2017 Application for State School Aid</b>						<b>Sample for Verification</b>						<b>Private Schools for Disabled</b>			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	45		45					5		5						
Full Day Kindergarten	405		405					33		33						
One	471		471					33		33						
Two	513		513					36		36						
Three	500		500					38		38						
Four	487		487					43		43						
Five	481		481					35		35						
Six	547		547					27		27						
Seven	562		562					25		25						
Eight	595		595					19		19						
Nine	636	2	636	2				24		24						
Ten	611	2	611	2				17		17						
Eleven	602		602					18		18						
Twelve	681	9	681	9				17		17						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	7,136	13	7,136	13	-	-	370	-	370	-	-	-	-	-	-	-
CSSD																
Special Ed - Elementary	396		396				6		6				4	4	4	
Special Ed - Middle School	254	10	254	10			10		10				4	4	4	
Special Ed - High School	281	17	281	17			9		9				28	24	24	
Subtotal	931	27	931	27	-	-	25	-	25	-	-	-	36.0	32	32	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	8,067	40	8,067	40	-	-	395	-	395	-	-	-	36.0	32	32	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%



**SCHEDULE OF AUDITED ENROLLMENTS**

**EAST BRUNSWICK PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Charter School												
Full Day Kindergarten	51.0	51.0		17	17		8	8		5	5	
One	71.0	71.0		18	18		17	17		8	8	
Two	79.0	79.0		23	23		17	17		7	7	
Three	84.0	84.0		24	24		17	17		9	9	
Four	76.0	76.0		30	30		11	11		6	6	
Five	73.0	73.0		26	26		11	11		6	6	
Six	76.0	76.0		19	19		9	9		6	6	
Seven	83.0	83.0		13	13		12	12		10	10	
Eight	102.0	102.0		12	12		5	5		3	3	
Nine	108.5	108.5		15	15		9	9		5	5	
Ten	93.0	93.0		12	12		6	6		2	2	
Eleven	89.0	89.0		10	10		9	9		5	5	
Twelve	98.5	98.5		15	15		2	2		2	2	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>1,084.0</u>	<u>1,084.0</u>	<u>-</u>	<u>234</u>	<u>234</u>	<u>-</u>	<u>133</u>	<u>133</u>	<u>-</u>	<u>74</u>	<u>74</u>	<u>-</u>
Special Ed - Elementary	81.0	81.0		14	14		6	6		1	1	
Special Ed - Middle	52.0	52.0		6	6		1	1		1	1	
Special Ed - High	56.0	56.0		10	10		3	3		2	2	
Subtotal	<u>189.0</u>	<u>189.0</u>	<u>-</u>	<u>30</u>	<u>30</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>1,273.0</u>	<u>1,273.0</u>	<u>-</u>	<u>264</u>	<u>264</u>	<u>-</u>	<u>143</u>	<u>143</u>	<u>-</u>	<u>78</u>	<u>78</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>								
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Reported	Recalculated	
Reg. - Public Schools, col. 1	3078	3,078		216	216		Reg Avg (Mileage) = Regular Including Grade PK students	3.5	3.5
Reg -SpEd, col. 4	667	667		46	46		Reg Avg (Mileage) = Regular Excluding Grade PK students	3.5	3.5
Transported - AIL, col. 2 & Non-Public, col. 3	246	246		18	17	1	Spec Avg. = Special Ed with Special Needs	4.8	4.8
Special Ed Spec, col. 6	336	336		24	24				
Totals	<u>4,327</u>	<u>4,327</u>	<u>-</u>	<u>304</u>	<u>303</u>	<u>1</u>			
Percentage Error						<u>0.33%</u>			

**EAST BRUNSWICK PUBLIC SCHOOLS**

**SCHEDULE OF AUDITED ENROLLMENTS**

**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2015**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Full Day Kindergarten	18	18		11	11	
One	8	8		7	7	
Two	8	8		6	6	
Three	6	6		5	5	
Four	12	12		7	7	
Five	4	4		3	3	
Six	4	4		2	2	
Seven	4	4		2	2	
Eight	7	7		4	4	
Nine	5	5		4	4	
Ten	3	3		3	3	
Eleven	4	4		3	3	
Twelve	-	-		-	-	
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>83</u>	<u>83</u>	<u>-</u>	<u>57</u>	<u>57</u>	<u>-</u>
Special Ed - Elementary	2	2		1	1	-
Special Ed - Middle	1	1		-	-	-
Special Ed - High	-	-		-	-	-
Subtotal	<u>3</u>	<u>3</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>86</u>	<u>86</u>	<u>-</u>	<u>58</u>	<u>58</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2016

**SECTION 1 - Regular District**

**B. 2% Calculation of Excess Surplus**

2015-16 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 156,776,107</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ - (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ - (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ _____ - (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ _____ - (B1d)</u>
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>\$ 15,061,587</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ _____ - (B2b)</u>
Adjusted 2015-16 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$ 141,714,520</u> (B3)
2% of Adjusted 2015-2016 General Fund Expenditures [(B3) times .02]	<u>\$ 2,834,290</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 2,834,290</u> (B5)
Increased by: Allowable Adjustment*	<u>\$ 324,588</u> (K)
Maximum Unassigned/Undesignated Fund Balance [(B5) + (K)]	<u>\$ 3,158,878</u> (M)

**SECTION 2**

Total General Fund - Fund Balances at 6-30-16 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 21,080,397</u> (C)
Decreased by:	
Year-end Encumbrances	<u>\$ 2,312,121</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ _____ - (C2)</u>
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	<u>\$ 4,350,000</u> (C3)
Other Restricted Fund Balances****	<u>\$ 6,883,672</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>\$ 25,726</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 7,508,878</u> (U1)

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2016

SECTION 3

Restricted Fund Balance - Excess Surplus \*\*\*  
 [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 4,350,000 (E)

Recapitulation of Excess Surplus as of June 30, 2016

Restricted Excess Surplus - Designated for Subsequent Year's  
 Expenditures \*\* \$ 4,350,000 (C3)  
 Restricted Excess Surplus \*\*\* [(E)] \$ 4,350,000 (E)  
 Total Excess Surplus [(C3)+(E)] \$ 8,700,000 (D)

\* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$	-	(H)
Sales & Lease-back	\$	-	(I)
Extraordinary Aid	\$	293,478	(J1)
Additional Nonpublic School Transportation Aid	\$	31,110	(J2)
Current Year School Bus Advertising Revenue Recognized	\$	-	(J3)
Family Crisis Transportation Aid	\$	-	(J4)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	\$	324,588	(K)

\*\* This amount represents the June 30, 2015 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amount must agree to the June 30, 2016 CAFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

EAST BRUNSWICK PUBLIC SCHOOLS

EXCESS SURPLUS CALCULATION

JUNE 30, 2016

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Capital outlay for a district with a capital outlay cap waiver	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 6,883,672
Emergency reserve	\$ -
Maintenance reserve	\$ -
Tuition reserve	\$ -
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ -
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ -
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ -
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ -
Other state/government mandated reserve	\$ -
Other Restricted Fund Balance not noted above	\$ -
Total Other Restricted Fund Balance	\$ 6,883,672 (C4)